Previous references.

/
1902
(Banking)

File No. 13 of 03-04.
Serial Nos. /–2.

Later references.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. /– 2

Part B. for

SUBJECT.

Inspection Report of Mr. A. Ananda Rao on the Issur Agri[l]. Bank.

Table of Contents.

Sl. 1 No. 465 dy. 30-6-03. From the Inspector of Agri[l]. Ba Submitting the report of Mr. A. Ananda Rao on the Agricultural Bank at Issur, Shikaripur Tk

Sl. 2 No. R. 516. dy. 13-8-03. To D.C. Shimoga. Stating that the defects noted in the above report, are grave & call for early action, & requesting D.C. Shimoga to issue proper instruction in the matter & to report G. R. S. 58 whether the arrears of principal & interest due to Govt. have since been paid up.

189 R32

From The Inspector of Agricultural Banks in Mysore

To The Secretary to the Government of His Highness the Maharaja of Mysore, General and Revenue Depts.

Dated 30th June 1903.

Despatched

Received Serial No. 1.

General No. 455

No.

Enclosure No. 1 Report

Submitting the Report of Mr. A. Ananda Rao on the Issue of Agricultural Banks

Rec'd 7th July

Report on the inspection of the Agricultural Bank at Isur, Shikaripur Taluq

1. Date of present inspection. — 10th February 1903.

2. Whether there is a duly registered suitable Bank office where members and depositors could call and have their business attended to; and if there had been any change in the office since last inspection, why necessitated and whether duly registered.

(a) The Bank is held in the Patels house but there was no board to indicate that the Bank was held there.

(b) No change in the office premises.

3. Whether any dates and hours are fixed for transaction of business, whether business is regularly transacted at those dates and hours; if no appointment is thus made, what arrangements exist for the due transaction of business when members and depositors call; and on how many days in a month is business done.

(a) No dates and hours are fixed for the transaction of business. Members meet and conduct business whenever there is necessity for it and when they are sent for by the Agent.

Meetings have been held on 1st July 1900 and 8th October 1900 since 1900. These meetings were held simply to collect interest and principal due by the members. No other business was done.

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All the Bank Registers to have been kept in the Bank premises, in the custody of the agent

4. Whether the Bank's registers, accounts, title-deeds, documents, cash balance and other property are kept in the Bank premises in the custody of the President and Agent; and if any of them are not so kept, where and how they are kept, under what authority and upon whose responsibility.

(a) The three villages to which the members belong are within a radius of 2 miles to the Bank house.

(b) Duly registered.

(c) The agent, the Directors and the majority of the members reside in Isur and the President in Arisingere about 2 miles from Isur

(d). Business was not extended to any new village.

5. Whether the villages to which the members belong are sufficiently near (within a radius of five miles) to the Bank house, and duly registered; at what distance do the majority of members, the directors and office-bearers reside; and if business was extended to any new village, whether there was proper sanction for it.

(a)(b)(c) There is neither increase nor decrease in the number of members since Last inspection.

(d) This needs no answer.

(e). In strength and usefulness it remains the same as in last inspection.

6. As regards members, whether and to what extent there has been any increase or decrease in their number since formation of the Bank or last inspection; what was the decrease, if any, due to; were the new members duly qualified, duly elected, and registered; in case of members belonging to a joint Hindu family or otherwise possessing a qualified or limited status, whether there is proper representation of interests involved; whether in the practical working, the Bank has gained or lost in strength, energy and usefulness since formation or last inspection.

(a) No. List of lands of members (b) either full or accurate is not maintained. I have given instructions for a complete

7. As regards credit, solvency and resources of members, whether a complete and accurate list of the lands of members is maintained; if not, how is the omission explained; to what extent have fluctuations in the number of members affected the united credit of the Bank. Any notable instances of new acquisition or improvement since formation of the Bank or last inspection; any notable instances of sale or other kind of transfer, relinquishment or deterioration; how these have affected the solvency and resources of the members concerned and of the Association as a whole; what guarantee, if any, has the Bank obtained or the rules of the General Assembly afford against alienations and relinquishments prejudicial to the Bank's interests; compare the *net* amount of the value of property as per latest authenticated list with the amount of liabilities of the Bank at date of inspection.

Complete list being written in the prescribed form. The Agent explains the omission by stating that a list was sent to the Government at the formation of the Bank and that it was not returned to them.

(b) & (c). No fluctuation in the number of members. There was neither acquisition nor improvement since last inspection

(d) No instance of Sale, transfer, relinquishment &c.

(e). This needs no answer.

(f). In case of alienations &c the rules of the Association do not afford any guarantee against alienations and relinquishments.

(g). There is no list showing the value of the property. The liabilities against the Bank amount to Rs 6337-11-11 principle and 121-11-11 interest. I have obtained an Extract from the Khates of the villages in which the members are having of their holdings and have

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Compared the entries therein with those in the bonds executed to the Bank and find that the net value of the property mortgaged to the Bank is worth Rs 11000/- taking an acre of wet land at Rs 100/- and dry land at Rs 10/- an acre.

(a). Neither increase nor decrease.

(b) The Bank has not exceeded the limits in its dealings.

(c)

Entrance fee .. 15-0-0
Contributions ... nil
Loans from Govt 7000 - nil
Loans from members - nil
Deposit from outsiders - nil
Debentures — — nil

(d) The Bank has no credit with the outside world as it does not borrow or lend money ~~to~~ to the Public who are not members

(e) Lessons of Cooperation are not understood. I have only the Agent, the President and the writer of the accounts before me - I have explained to them as much as they could understand.

8. As regards Bank's funds, note whether the limit fixed at formation had been increased or decreased under due authority; whether the Bank had in its dealings unauthorizedly exceeded the limit and if so, how is this explained or proposed to be rectified. Classify the Bank's funds at date of inspection with reference to the sources from which they were derived, *viz.*—entrance fee, contributions, loans from Government, if any, loans from others, deposits from members (1) in cash and (2) in grain, deposits from outsiders, debentures etc. Note whether the Bank's credit is well established and sustained, or steadily growing; if otherwise, to what extent such result is due to any action or omission of the Bank's authorities and what other causes are likely to have contributed to it; whether the lessons of co-operation, mutual help and thrift are understood and practised, if not, inculcate them to as large a body of members and outsiders as can be gathered.

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9. As regards Government loan, note whether the terms fixed for repayment are duly acted up to or there has been gross delay, dilatoriness or neglect; the amount outstanding against the Bank at date of inspection; whether the loan may be continued subject to the terms allowed for repayment or whether in your opinion it is advisable to withdraw the loan under the provisions of Sections 74 and 75 of the Articles of Association; and state reasons for such opinion briefly and concisely.

(a). At the formation of the Bank nothing seems to have been settled re the instalments to be paid. But in 1900 the Government ordered the repayment of the loan by ten annual instalments of Rs 700/. The Bank has paid up only Rs 663/- and there has been gross delay in the repayment of the loan.

(b). The Bank is indebted to the Government in a sum of Rs 6337-4-4 for principal and Rs 126-11-4 for interest and the interest up to last December has not been paid. The Agent says that owing to bad times and to his own and The President's illness the instalments ordered by the Government have not been paid and that before the end of March the instalments due to the Government will be paid up in full and that on failure the loan may be withdrawn. I am almost inclined to recommend to

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withdrawal at once but I would give the Bank one more chance as prayed for

Does not require any answer. as the Bank has neither taken loans nor deposits

10. As regards loans and deposits from others, note the terms allowed, generally in regard to rate of, interest and time for repayment; whether the sanction of the General Assembly had been obtained to the rates of interest and other essential terms; whether the obligations incurred were, in any way, in excess of the Bank's requirements or of what local conditions of credit, prudential considerations and the progress and well-being of the Bank justified; whether the Bank authorities are alive to the importance of placing themselves in a position to discharge the obligations incurred, punctually, completely and satisfactorily.

11. As regards the Bank's transactions, compare the Cash Book with Ledgers, Receipts, Chalans, Cheques, Treasury Pass Book, Contingent and Establishment Registers, Documents etc. Is it posted up from actual transactions as they occur and in the order of their occurrence, and are entries made so clear as to be easily intelligible and traceable through the other accounts? If discrepancies and omissions due to mere oversight or ignorance are found, have them rectified in a business-like manner as far as practicable and note here such as are considered to be grave. In the case of corrections, see if they are initialled by the President and Agent, and if any of the corrections are not satisfactory, note briefly your objections.

(a) Compared the Cash Book with the Ledgers, Receipts, Chalans and the Documents.

b) Posted up from actual transactions and entries are clear and easily traceable -

c). No omissions found

(d). The corrections are not initialled and the Agent has been asked to initial them now -

(e). The appointment of a clerk on Rs 4/- afterwards raised to Rs 5/- and a peon on Re 1- is not supported by any resolution of the General Assembly - The President and the Agent says that they made a report to the Inspector of Agricultural Banks in the matter but

See if disbursements were duly authorised and are supported by proper vouchers.

Were the charges incurred under Establishment and Contingencies real or fictitious either wholly or in part, and if real, necessary? Is the rule about members rendering gratuitous service duly respected.

Note date of the last entry in the Cash Book, and the cash balance on that date according to the Cash Book and as forthcoming in the Bank's chest. Are instances frequent of the transgression of the limit fixed in the Articles of Association for cash balance in the hands of the Board of Directors, and how are they explained? Are large sums kept in hand for any length of time without being utilized? Is the facility afforded for keeping current account with the Treasury utilised as far as possible for minimising cash balances, if not, how is the omission explained? Has there been any complaint or ground for the belief or suspicion that needlessly large balances are retained by the Agent or President.

Note the general results of the Bank's cash transactions up to date of inspection in the appended form and see if the Cash Balance Sheet last submitted by the Bank is correct in all particulars.

RECEIPTS.	Rs. a. p.	EXPENDITURE.	Rs. a. p.
From Treasury ...		To Treasury Current acct. principal repaid	
„ Depositors...		Depositors .	
Entrance fee ...		„ Members, loan.	
Interest and penalty ..		„ Govt. on acct. of interest .	
Loans repaid ...		Depositors....	
Other items ..		„ Printing charges .	
		„ Establishment.	
		„ Contingencies	
		„ Other charges.	
Total		Total	

that they have not got a copy of it
No receipts obtained from either
the clerk or peon for disbursement
made to them are kept nor is there
an acquittance roll kept up - Cash
Book contains entries of payments
(f) to them - Whether the charges
incurred are real or fictitious I
am not able to say - Taking
into consideration however
as to who the members are I am
not prepared to say that a clerk
and a peon are not necessary.
(f) The only work done by the
President and the Agent is to
collect money and remit to
the Treasury - This work is
done gratuitously -
(h) - The date of last entry in the
Cash Book is 31st July 902 and the
cash balance is Rs 120-6-3 which
was produced -
(i) The Agent says that he has
not got with him either the original
or copy of Articles of Association
I do not find from the minute
Book any reference made to
this - The Agent tells me that

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neither by the resolutions of the members nor by the Articles of Association has any limit fixed in regard to the amount of Cash balance in his hands.

I have gone through the Cash Book and find that the present Sum is the largest balance which ever remained in his hands.

5). No current account with Treasury is opened for keeping any money.

6). I have heard no complaints that large balances are retained by the Agent.

Receipts.	Rs	As	Ps	Expenditure.	Rs	As	Ps
To From Treasury	7000	"	"	To Treasury.			
" " Depositors	"	"	"	" Current account	"	"	"
" Entrance fee	15	"	"	" Principal repaid	663	"	"
" Interest & penalty	2278	11	7	" Depositors	"	"	"
" Loans repaid	1701	"	"	" Members loan	8082	"	"
" Other items	11	6	2	" Govt on account of interest	1650	15	4
				" " Depositors	"	"	"
				" " Printing Charges	"	"	"
				" Establishment	415	"	"
				" Contingencies	22	10	3
				" Other Charges	24	1	11
				" Reserve fund	28	"	"
				" Balance on hand	120	6	3
Total	11006	1	9	Total	11006	1	9

12. As regards loans to members, note if, in addition to the restrictions and limitations prescribed in Section 42 of the Articles of Association, the General Assembly has prescribed any limit with reference to the value of the landed property held by applicants for loan or offered as security by them; whether loans have been granted to any in contravention of these rules, members of joint Hindu family being taken as representing one account; how such transgressions are explained or proposed to be rectified; had any loans been granted to other than members in need or had any deserving applicants been denied to favor particular individuals, and had such instances produced feelings of distrust and discontent and impaired the cordiality and unanimity expected to exist among the body of members; are objects for which loans are applied for, explained with sufficient clearness in the darkhasts; is the application and use made of loans watched by the Board of Directors or other authority; have there been any instances of non-application or misuse, especially of sums obtained having been used by any member for purposes of trading or private banking or money lending.

Note the sums obtained and used for the several purposes indicated in the appended form.

Amount obtained.			Amount spent.		
	Rs.	a. p.		Rs.	a. p.
1 To discharge encumbrances.			1 For discharging encumbrances		
2 To " other debts.			2 To discharge other debts		
3 For agricultural purposes.			3 For agricultural purposes		
(a)			(a)		
(b)			(b)		
(c)			(c)		
(d)			(d)		
			4 For other purposes		
			(a)		
			(b)		
			(c)		
			(d)		

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(a) (b) The General Assembly has prescribed no limit with regard to loans to members with reference to landed property held by Applicants to loans. Most of the members are granted loans far in excess of the value of the property hypothecated to the Bank - The Agent tells me when asked as to why loans nearly twice as much as the value of the property hypothecated by them are granted to members, that the people of his village are well to do and reliable people and that he is sure of recovering all the debts notwithstanding that the properties are valued less than the amount of the debt

(c). Loans have not been given to any but members

(d). The object for which the loans have been applied for are mentioned in the Dharkhasts

(e) The Agent and the President watch the application and use of the loan -

(f). There have been no instance

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of non application or misuse of loans obtained from the Bank

Amount obtained				Amount Spent -			
To discharge encumbrances	1987	"	"	For discharging encumbrances	1987	"	
To discharge other debts --	4240	"	"	To discharge other debts	4240	"	
For Agricultural purposes				For Agricultural purposes			
(a) - Kandayam	805	"	"	(a) Kandayam	805	"	
(b) To purchase land	500	"	"	(b) To purchase land	500	"	
(c) To improve lands -	455	"	"	(c) To improve lands -	455	"	
Total	7987	"	"	Total	7987	"	

The mortgage deeds in favor of the Bank are in proper form, executed by proper persons and duly registered. The mortgage deeds discharging prior mortgage debts are produced in the Bank. The proportion of loans of 1st class bear to the amount of property mortgaged as 1 : 1·578 -

a). No undue preference

(c) In case of 2nd & 3rd class loans good personal security is taken - Documents discharged, receipts &c have been produced -

13. As regards securities obtained, note if the mortgage deeds in favor of the Bank are in proper form executed by the proper persons and duly registered; if prior mortgages in respect of property hypothecated to the Bank had been fully discharged and the mortgage deeds (duly discharged) produced in Bank together with title-deeds; in case of exceptions, when the mortgages are likely to be discharged and their amount: the proportion the loans of first class bear to the amount of property mortgaged; notable cases of undue preference, if any, with explanation; whether good and sufficient personal security was obtained in the case of the second and third class loans,, whether in the case of simple debts repaid, documents discharged, receipts, &c., obtained had been produced, and in case of notable exceptions when they are expected to be produced.

Note particulars in the appended form of loans outstanding against members at date of inspection exclusive of repayments.

1st class.	2nd class.	3rd class.	4th class.	Total.	Value of property under mortgage to Bank.
1st Class	2nd Class	3rd Class	4th Class	Total	Value of property under mortgage to Bank -
6337-"-"	-	-	50-"-"	6387-"-"	11000-"-"

14. As regards punctuality, completeness or otherwise in the payment of dues by members, Note whether the rule requiring strict punctuality is borne in mind and enforced in all practicable cases, or whether there is any unhealthy tendency to evade it; how many are defaulters (1) among office-bearers and (2) among other members; the amount of instalments overdue remaining unrecovered at date of inspection, the amount of 2nd, 3rd and 4th class loans likewise overdue remaining unrecovered; causes of unduly large arrears and large number of defaulters; whether proper notice had been taken of defaults and adequate steps taken for recovery of arrears: whether renewals were granted with prudence and discrimination: whether the interest and penalty due to the Bank had been fully recovered and whether the interest due to Government and to other creditors duly paid: arrears, if any, how explained and when expected to be paid.

All the members have paid up their interest up till June last They are only in arrears up to the end of December With regard to the payment of instalments of principal there has been gross delay -

List of defaulters is herewith appended

No renewals were granted

Interest due to the Bank and by the Bank to the Government have been paid up to June last.

Bank has obtained no loans from others and therefore no interest is due by it -

By the end of June the Agent and the President hope to pay up all the arrears

15. As regards surplus, Note what this amounts to up to date of inspection, taking into account the arrears remaining unrecovered of interest and other items of income; how much of this has been realized; what amount has been carried to the Reserve Fund by resolution of the General Assembly; how the Reserve Fund is invested; how the remaining surplus is used or secured; whether any and what special charges tended to reduce the surplus; and if the Bank has other assets what they are and their value.

Interest to be received up to end of December amounts to Rs 171-4-2 - Cash in hands Rs 123-6-3 - making a total of Rs 294-10-5 - Of this of the interest due to Government up to the end of December amounting to Rs 126-11-11 be paid up there remains a balance of Rs 167-14-6

from which Rs 37-8-0 have to be paid up for establishment and Contingencies. Then the real Surplus would be Rs 130-6-6 - The Agent Says that this Surplus is kept with them to be lent in Small Sums to members in urgent need -

16. As regards meetings of General Assembly, note whether the rules for convening these, the conduct of business therein and the recording and registering of resolutions are understood and duly given effect to; if not, explain the same to the office bearers and others present; note whether meetings had been held regularly every half-year; whether any and what number of extraordinary meetings had been held since last inspection; whether notices had been duly given to members; whether members were generally taking interest in the Bank affairs or whether there was party feeling; whether special resolutions had been duly confirmed and registered; whether any resolutions were inconsistent with the Articles of Association or other provisions of law.

Since 1900 only two meetings are held - The Agent Says that no written notices are given to the members but they are Sent for - A minute Book is kept up in which the Proceedings of the meetings are entered -

(b) Meetings have not been held regularly every half year - The Agent has been again ordered to bear in mind the necessity of calling at least two meetings in a year -

No extraordinary meetings were held -

Members do not take any interest in the Banks affairs except the Agent and the President - -

No party feeling -

Resolutions are neither confirmed nor a copy of them sent to the Registrar of Companies since 2 years

The resolutions are not inconsistent with any provisions of Laws

17. As regards Board of Directors, note whether and how often they meet for transaction of business; whether their resolutions are duly recorded in a book; if they do not meet, what arrangements exist for the discharge of their duties and functions and what record exists of their proceedings, whether any and which of them have been taking special interest in and working with zeal for the progress of the institution.

Directors by themselves have not met nor have they recorded their resolutions. For Directors having given their assent or approval to the granting of the loans there exists no record. The Agent says that the Directors' sanction was oral.

None except the Agent, has as far as I am aware, been taking any interest.

18. As regards supervision, whether any and what arrangements the General Assembly had made for control and audit, are they effective and satisfactory.

No arrangements have been made by the General Assembly for supervision, Control and audit.

19. As regards registers and accounts, see appended list, note therein which of them is kept and how.

I.	Register of members	Properly Kept.
II.	" of applications for loan	No entries are made in these since 1st July '99 although loans have been granted
III.	Cash book	Properly kept - but not signed by Agent since July 901
IV.	Ledger	Properly Kept
V.	Minute book	— Do —
VI.	Register of balance sheets	Kept from January 901
VII.	Property register	No accurate list maintained.
VIII	Register of monthly cash abstracts	Not kept
IX.	Register of bonds	— Do —
X	Receipts by Bank	Kept
XI.	Depositors' ledger	— Do —

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XII.	Treasury pass book	Properly Kept.
XIII.	Chalan book	— do —
XIV.	Cheque book	not Kept
XV.	Receipts by members to Bank	Entries up to July 1898. Two entries requiring payment of Stamps have been unstamped.
XVI.	Register of Directors	
XVII.	Register of Directors' Proceedings	not Kept
XVIII.	Register of appropriation of loans	
XIX.	„ of contingent expenses	
XX.	„ of disbursement of pay to establishment	
XXI.	„ of From letters	Kept from 8-8-900 to 1-6-901.
XXII.	„ of To letters	Kept from September 900 to June 901.
XXIII.	Visitors' book	not Kept.

20. General remarks regarding the state of the Bank.

The Agent and the President seem to be respectable people but Quite innocent of the modern methods of carrying out working transactions.

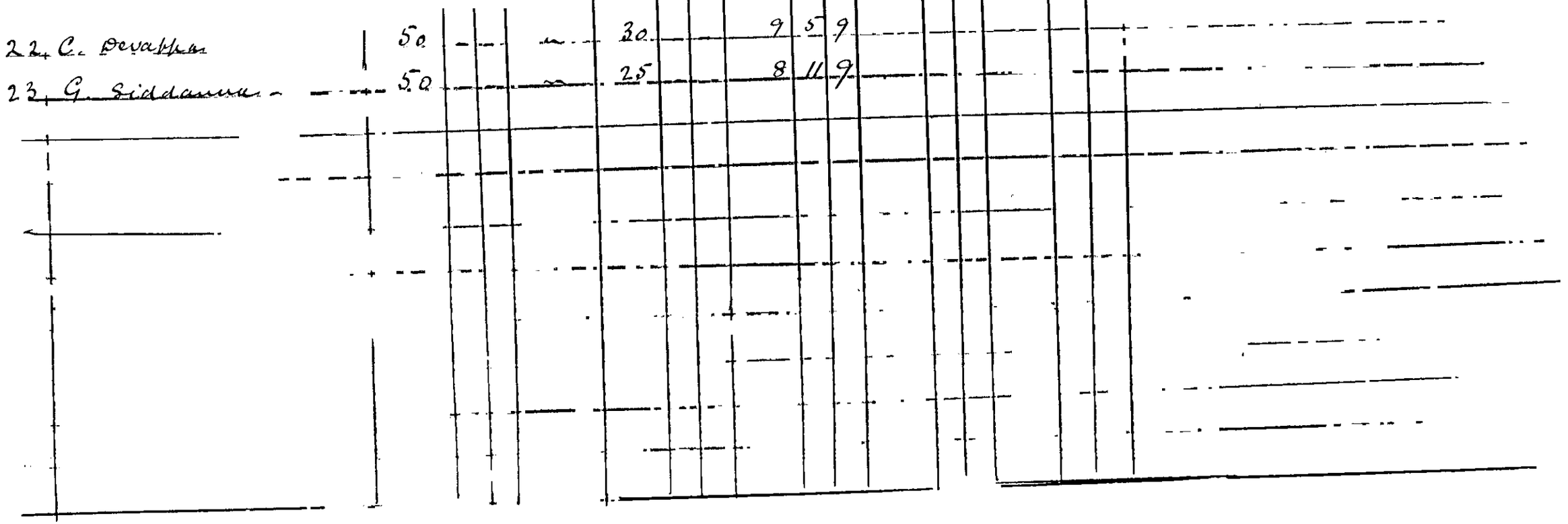
Shemaga
26th March 903

A. Rahman
1st Asst: Commissioner
Jamalpur Subdivision

N° 465

Submitted to the Secretary to the
Government, Genl & Rev. Depts

30.6.03. [illegible]
Supt. of Agt. Banks


22. C. Devappa
23. G. Siddamma
50
50
30
25
9 5 9
8 11 9

Defaulters List of Town Bank.

	Names of Members	Amount of loan	Instalments	Amount paid for principal	Interest recovered	
1.	Patil Sivappa	2015 - -	16	325 - -	430 3 1	
2.	H. Rudramma	337 8 -	"	62 8 -	102 11 3	
3	Eerappa Agsala	200 - -	"	95 - -	58 3 9	
4	Gaviappala Mallappa	275 - -	"	187 8 -	55 4 -	
5	Ganada Basavanni	212 8 -	"	83 8 -	63 1 7	
6	Mallappa Agsala	200 - -	"	17 - -	66 8 -	
7	H. Sidda Ningamma	450 - -	"	261 - -	67 14 2	
8	B. Sankra	212 8 -	"	152 8 -	20 6 5	
9	G. Sidda Ningamma	500 - -	"	50 - -	165 8 -	
10	H. Basavannappa	375 - -	"	150 - -	78 9 7	
11	M. Veerasma	300 - -	"	100 - -	83 15 11	200
12	Radadi Siddakka	500 - -	"	100 - -	153 2 -	
13	Gaddanna	450 - -	"	175 - -	117 9 4	
14	H. Mahadevappa	837 8 -	"	587 8 -	145 9 6	
15	Gurusiddappa	1100 - -	"	500 - -	233 8 7	
16	J. Basakka	250 - -	"	75 - -	71 6 8	
17	H. Channa Brsanna	100 - -	"	- - -	30 8 -	
19	G. Hoteyappa	550 - -	"	500 - -	52 12 6	
		950			227 6 3	

| | | |

	71		2	37	1	12	-	5	10	19	4	-	8	7	21	-	-	
	4		11	7	7	-	-	8	3	31	-	-	19	1	38	-	-	
2	[illegible]	6	[illegible]	0	7	2	12	-	-	-	-	-	-	7	1	12	-	
		14½	2	-	-	-	-	-	1	4	5	-	-	1	4	5	-	-
		18	[illegible]	1	5	0	12	-	1	35	9	4	-	3	-	10	-	-
		20 [illegible]	2	-	-	-	-	-	-	35	3	12	-	-	35	3	12	-
		21	-	-	-	-	-	-	-	30	3	-	-	-	30	3	-	-
		23	-	-	-	-	-	-	-	34	3	8	-	-	34	3	8	-
		100	-	-	-	-	-	-	3	36	15	-	-	3	36	15	-	-
		101	-	-	-	-	-	-	4	7	16	-	-	4	7	16	-	-
		163	-	8	4	5	8	-		-	-	-	-	8	4	5	8	-
	[illegible]	9	[illegible]	9	7	2	12	-	13	21	55	8	-	22	37	64	8	-
3	[illegible]	26 [illegible]	1	-	-	-	-	-	1	12	6	-	-	1	12	6	-	-
	[illegible]	96	-	1	9	1	8	-	5	12	20	8	-	6	21	22	-	-
		198 [illegible]	2	4	26	3	4	-	-	-	-	-	-	4	26	3	4	-
		3	2	5	35	4	12	-	6	24	26	8	-	12	19	31	4	-
4	[illegible]	95	-	1	-	1	4	-	6	3	22	12	-	7	3	24	-	-
	[illegible]	16 [illegible]	-	0	12	3	8	-	[illegible]	-	-	-	-	0	18	3	8	-
		[illegible]	-	-	6	-	-	-	[illegible]									
		17 [illegible]	-	-	8	3	-	-	-	-	-	-	-	-	8	3	-	-
		56	-	9	13	6	-	-	-	-	-	-	-	9	13	6	-	-
	[illegible]	4 [illegible]	-	10	20	6	8	-	6	3	22	12	-	17	2	36	8	-
					19	7	4	-										
	[illegible]	17	-	1	9	-	12	-	4	17	12	4	-	5	26	13	-	-

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Mysore Govt., Gen. & Rev. Secretariat

Branch

Office Draft. 20

Progs. of the Govt. of H. H. the Maharaja of Mysore.

File No. (if any) and its date—

F 516

Read: Serial No. 2.

Letter No 465 & 30.6.03 from the Inspector of Agricultural Banks, submitting the report on inspection made by Mr. A. Ananda Rao, 1st Assistant Commissioner, of the Agricultural Bank at Issur, Shikarpur Taluk, Shimoga District.

D

Lr. No. R 516 of 13/8/03

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Order: As

1 The defects noted below are grave and call for very early action:-

i That the list of lands of members is not complete and accurate;

ii That the instalments and interest due to Govt are in arrears,

iii That loans are granted to members far in excess of the value of the property hypothecated to the bank;

iv That there has been gross delay in payment by members of instalments of principal due to the bank;

v That resolutions on

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confirmed nor a copy thereof is sent to the Registrar of Joint Stock Companies.

& VI That the Directors have neither met nor have they recorded their resolutions.

2. As regards other minor irregularities the instructions of the inspecting officer should be carried out and a duplicate of the Articles of Association should be obtained from the Registrar of Joint Stock Companies.

3. The Deputy Commissioner is requested to issue proper instructions in the matter and report at an early date whether, as promised by the President and the Agent, the arrears of principal and interest due to Govt have since been paid up, and if not, what further steps should be taken.

Secretary

6/8/03